

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 06-12
)	
Kaneohe Ranch Management, Ltd.)	
)	
Respondent.)	
_____)	

CONCILIATION AGREEMENT

On or around September 2006, Barbara U. Wong, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Kaneohe Ranch Management, Ltd. ("Respondent"). The investigation was initiated pursuant to the express authority of section 11-193(a)(7), Hawaii Revised Statutes ("HRS"), for a determination of whether the Hawaii campaign spending laws had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Respondent and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondent pursuant to section 11-216(g), HRS.

- III. That Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondent having voluntarily and fully cooperated with this investigation desires to resolve any potential litigation by entering into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around September 2006, Barbara U. Wong, Executive Director for the Commission, initiated an investigation of Respondent.
 - 2. Respondent is the sponsoring organization for the Kaneohe Ranch PAC noncandidate committee ("Committee").
 - 3. Section 11-204(b), HRS, reads as follows:

"No person or any other entity shall make contributions to a noncandidate committee, in an aggregate amount greater than \$1,000 in an election."
 - 4. Respondent reported that it made contributions to the Committee and the Committee made contributions as follows:

<u>Date</u>	<u>Activity</u>	<u>Amount</u>	<u>Aggregate</u>	<u>Excess</u>	<u>Escheat</u>
3/10/2006	Returned contribution	(\$250)	(\$250)	\$0	
3/10/2006	Respondent contributed to Committee	\$1,600	\$1,350	\$350	
3/10/2006	Committee contributed to Friends of Ryan Yamane			\$100	\$0
3/10/2006	Committee contributed to the Democratic Party			\$1,500	\$350
4/21/2006	Respondent contributed to Committee	\$700	\$2,050	\$700	
	Committee contributed to Friends of Pono Chong			\$100	\$100
	Committee contributed to Friends of Lyla Berg			\$100	\$100
	Committee contributed to the Hanneman Committee			\$500	\$0
5/6/2006	Hanneman Committee returned contribution within 30 days	(\$500)			
4/28/2006	Respondent contributed to Committee	\$100	\$2,150	\$100	
4/28/2006	Committee contributed to the Friends of Michael Magaoay			\$100	\$100
				<u>\$1,150</u>	<u>\$650</u>

5. Respondent unintentionally made three excess contributions totaling \$1,150 to the Committee in violation of section 11-204(b), HRS.

6. Respondent did not knowingly, intentionally, or recklessly violate section 11-204(b), HRS.
7. Section 11-204(e), Hawaii Revised Statutes (HRS), reads as follows:

“Any candidate, candidate's committee, or committee that receives in the aggregate more than the applicable limits set forth in this section in any primary, initial special, special, or general election from a person, shall be required to return any excess contribution to the original donor within thirty days of receipt of the excess contribution. Any excess contribution not returned to the original donor within thirty days shall escheat to the Hawaii election campaign fund. A candidate, candidate's committee, or committee who complies with this subsection prior to the initiation of prosecution shall not be subject to any penalty under section 11-228.”
8. A \$1,500 contribution was made to the Democratic Party of Hawaii on March 10, 2006. The \$1,500 contribution was returned on May 11, 2006, more than thirty days after the contribution was received.
9. A \$500 contribution, dated April 21, 2006, to the Hanneman committee was returned within thirty days after it was received.

10. A \$100 contribution, dated April 21, 2006, to the Friends of Pono Chong; a \$100 contribution, dated April 21, 2006, to the Friends of Lyla Berg; and a \$100 contribution, dated April 28, 2006, to the Friends of Michael Magaoay were not returned within thirty days after the contributions were received.

VII. Settlement Terms

1. As final settlement of the matter and issues in Conciliation Agreement 06-12, Respondent understands and agrees to an assessment of Three Hundred Fifty Dollars (\$350) pursuant to section 11-28, HRS.
2. The following excess contributions shall escheat to the Hawaii election campaign fund:
 - a. \$350 to the Hawaii Democratic Party;
 - b. \$100 to the Friends of Pono Chong;
 - c. \$100 to the Friends of Lyla Berg; and
 - d. \$100 to the Friends of Michael Magaoay.
3. Terms of payment of the assessment shall be by Order of the Commission.
4. Respondent agrees to comply with Hawaii laws on contributions and expenditures.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review

compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Respondent on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter and any and all other matters covered by this Agreement.

FOR THE COMMISSION:

Barbara Wong, Executive Director

Date: _____

FOR THE RESPONDENT:

Kaneohe Ranch Management, Ltd.

By: _____

Its: _____

Date: _____